

CITY of LA GRANDE
JOINT CITY COUNCIL/URBAN RENEWAL AGENCY RETREAT

Monday
January 24, 2022

6:00 p.m.

AGENDA

You can view the Work Session on Facebook Live at the following link:
www.facebook.com/CityofLaGrande

The purpose of the Annual Agency/Council/Staff Retreat is to exchange ideas with Staff and establish Goals and Priorities for the upcoming year. The Goals/Manager Priorities then become the focal point of budget development for the 2022 ~ 2023 Fiscal Year. Decisions are not made during a Retreat; but, rather, direction is provided to Staff in connection with the identification of the Goals to be scheduled for adoption during the next Regular Session of the Urban Renewal Agency. While the Annual Retreat is open to the public to view electronically, public comments will not be entertained during the Retreat. Members of the public are routinely provided with an opportunity to engage the Mayor and Council/Agency during the Public Comment portion of each Regular Session Agenda.

Per ORS 192.670(1), all Councilors/Agency Members and Staff will be participating in this Work Session by electronic communication.

1. CALL to ORDER/WELCOME 6:00 p.m.
~Stephen Clements, Mayor

2. CITY AND URBAN RENEWAL ECONOMIC DEVELOPMENT RETREAT TOPICS/SEQUENCE
(Please Refer to Attached)
~Robert A. Strobe, City/District Manager

3. ADJOURN 8:30 p.m.

Sandra Patterson
City Recorder

Persons requiring special accommodations who wish to participate in this Work Session are encouraged to make arrangements prior to the meeting by calling 541-962-1309. Note the City Council/Urban Renewal Agency WILL NOT be accepting public comments during this Work Session. The City of La Grande does not discriminate against individuals with disabilities.

City and Urban Renewal Economic Development Retreat Topics

January 24, 2022

(Note: Items in **blue** are changes from prior year’s topics. Text in **green** is supplemental/background information that may be helpful.)

Vision Statement: The City of La Grande is the economic, educational, recreational, and cultural hub for eastern Oregon, with a family oriented, small-town character. (City’s current Vision Statement with the goals specifically related to Economic Development **highlighted** below)

Goals to support our vision:

G1	Enhance and grow our diverse economy through innovation, partnerships, and relationships, to capitalize on our existing strengths while seeking new opportunities.
G2	Take full advantage of the benefits of our thriving educational community, anchored by Eastern Oregon university.
G3	Promote the natural beauty and resources of the Grande Ronde Valley, which provide recreational opportunities and quality of life benefits that complement our economic development objectives.
G4	Showcase La Grande as a culturally-rich city with a strong sense of identity, pride, and environmental awareness that preserves our heritage.
G5	Foster a family-oriented community with high quality amenities, including excellent parks, safe neighborhoods, and outstanding schools.
G6	Champion public involvement and civic leadership that values economic, ecological, and social stewardship, while maintaining our small-town character.

1. Economic Development Strategy

a. Recruitment/Business Attraction:

- i. Continue proactively pursuing our current priority industry sectors:
 - 1. Recreational Manufacturing and Retail
 - a. Anything tied to the outdoors to maximize our assets
 - 2. Timber Industry
 - a. Mass Timber (Cross Laminated Timber)
 - b. Woodgrain (Supply Chain)
 - c. Other wood product related manufacturers
 - 3. E-Commerce
 - a. Businesses that rely on the Internet and work from home
 - b. Distribution
- ii. Continue to respond to all inquiries and leads regardless of industry sector.
Staff is not recommending any changes in the above strategies at this time.
- iii. Small scale manufacturing and micro production.
 - 1. Explore adding small scale manufacturing and micro production as a targeted sector for recruitment, retention and expansion. Use this strategy to potentially fill gaps in the local supply chain and attract small manufacturers that can utilize existing smaller sites or buildings throughout the community. This can increase our opportunities to showcase products “Manufactured in La Grande,” as a recruitment

strategy to attract additional manufacturers for larger sites like the Business Park and other larger manufacturing sites as they are added.

This is a new strategy Staff is intending to pursue.

iv. Incentives

1. Current incentives are limited to Call for Projects and Traded Sector programs in the Urban Renewal District (URD) and the Enterprise Zone for Urban Growth Boundary (UGB) expansion area.

Staff is not recommending exploring any new incentive programs at this time.

v. Industrial development/recruitment:

1. La Grande Business and Technology Park
2. UGB Expansion Area
 - a. Large lot industrial with Enterprise Zone incentives

Staff is not recommending any changes in the above strategies at this time.

vi. Commercial development/recruitment.

1. Limited available lands for larger commercial/retail development.
 - a. No large lot commercial in URD and recent sales/development has depleted our available lands inventory.
 - b. In order to address this shortage, we need to pursue conducting a Commercial Land Needs Analysis and Comprehensive Plan Goal 9 Update to increase our inventory to allow for new development.
 - c. Currently there aren't any grant opportunities to fund such an update.
 - d. Based on our inability to add new Commercial property without an update, Staff is recommending the City Council support moving forward and fund this effort using City General Fund dollars given we cannot accommodate any significant new projects at this time.

b. Retail Recruitment and Downtown Redevelopment:

- i. Retail recruitment.
 1. Continue proactive recruitment using existing leads previously generated by Buxton.
 2. Focused efforts in concert with La Grande Main Street Downtown.
- ii. Downtown redevelopment—(See Call for Projects).

Staff is not recommending any changes in the above strategies at this time.

c. Business Assistance, Retention, and Expansion:

- i. Resume large employer visits once COVID-19 restrictions allow.
- ii. Business Retention and Expansion (BR&E) Survey.
 1. The Survey is complete. Based on the data, we are looking at 4 key points of focus including:
 - a. Workforce challenges and the ability to recruit, and retain labor/talent.
 - b. Minority business owner support and outreach.
 - c. Business support and training particularly marketing and expanding online presence.
 - d. Business retention and expansion assistance. While a small percentage of surveyed businesses indicated a risk of closing

nearly 30% of responses indicated potential expansion in the next three years.

d. Create a culture of entrepreneurialism.

- i. Ignite has received a second \$60,000 grant from Business Oregon for the Rural Opportunity Initiative (ROI) program, which funds entrepreneurial support programs and activities. This grant is being administered by Northeast Oregon Economic Development District (NEOEDD) and since the money does not come directly to the City/Agency it does not show up in City or Agency budgets.
Staff is not recommending any changes in the above strategies at this time.

e. Continuation of non-URA Funded Economic Development efforts

- i. Validate intent to continue to dedicate funds and resources to marketing non-URA industrial properties.
 - 1. UGB large lot industrial site.
 - 2. Large lot commercial efforts.

The current percentage of the Economic Development Director’s salary is 70% URA and 30% City General Fund and we have also included limited City funded Materials and Services budget amounts to allow for funding these efforts. Staff is not requesting any revisions to this allocation.

2. Urban Renewal Programs

Historically we have budgeted \$250,000 for Call For Projects (CFP) and \$50,000 for the Façade Program in new funding each year. Recently we have added a separate \$100,000 CFP allocation for projects at the La Grande Business and Technology Park. In addition, we have maintained \$200,000 of one-time funding for the Traded Sector program and have added \$100,000 a year to the Agency Initiated project program we have not accessed yet. The current fiscal year budget has the following uncommitted remaining unexpended balances for these programs, excluding Facade:

<i>CFP non-Business Park</i>	<i>\$350,000 budgeted, \$200,000 remaining</i>
<i>CFP Business Park</i>	<i>\$200,000 budgeted, \$125,000 remaining</i>
<i>Traded Sector</i>	<i>\$200,000 budgeted, \$200,000 remaining</i>
<i>Agency Initiated</i>	<i>\$300,000 budgeted, \$300,000 remaining</i>
<i>Budget:</i>	<i>\$1,050,000</i>
<i>Unexpended:</i>	<i>\$825,000</i>
 <i>Historical “New” Funding:</i>	
<i>CFP non-Business Park</i>	<i>\$250,000</i>
<i>CFP Business Park</i>	<i>\$100,000</i>
<i>Traded Sector</i>	<i>\$0</i>
<i>Agency Initiated Project</i>	<i>\$100,000</i>
<i>Total:</i>	<i>\$450,000</i>
 <i>Staff contemplating proposing:</i>	
<i>CFP non-Business Park</i>	<i>\$350,000 (\$200,000 carried forward from prior year)</i>
<i>CFP Business Park</i>	<i>\$225,000 (\$125,000 carried forward from prior years)</i>
<i>Traded Sector</i>	<i>\$200,000 (All carried forward from prior years)</i>
<i>Agency Initiated Ignite Project</i>	<i>\$500,000 (\$300,000 carried forward from prior years)</i>
<i>Total:</i>	<i>\$1,275,000 (\$825,000 carried forward from prior years)</i>
<i>(This represents a \$225,000 increase in capital costs over prior year for under levy purposes)</i>	

a. Traded Sector

- i. Funding (\$200,000 of one-time funding in current year’s budget)
 - 1. Staff recommends retaining this funding level for at least one more year.

b. Call for Projects:

- i. Funding (\$350,000 Non-Business Park + \$200,000 Business Park funding in current year’s budget):
 - 1. Non-Business Park Projects: \$250,000 per year is typically allocated for this program based on revenues to URA with an under levy. Current year was \$350,000 with \$150,000 funding awarded.
 - 2. La Grande Business and Technology Park Projects: \$100,000 is typically allocated, with \$125,000 carried over from prior years as the current amount for projects at the Park.
- ii. Policy revisions.
 - 1. Staff is planning to schedule an Urban Renewal Advisory Committee (URAC) meeting to discuss minor changes to the CFP policy for this year’s funding cycle. Once the URAC meets and finalizes a recommendation the Agency will be asked to update the policy.

c. Agency Initiated Funding Program

- i. Funding (\$300,000 of one-time funding in current year’s budget)
- ii. The intent has been to leverage these funds to receive significant capital grant funding to renovate the Fire Museum to provide an expanded space for Ignite. The project would provide dedicated space for partner organizations such as Eastern Oregon University (EOU), NEOEDD and the Small Business Development Center (SBDC) to allow for a downtown presence. The project would also include increased opportunities for Side A Brewing to utilize increased space that currently is inaccessible. If we are unsuccessful in our efforts to receive grant funding, Staff will seek Agency approval to move forward with a reduced project scope to make significant improvements to the building using only URA funding.

d. Façade Program

- i. \$50,000 per year budget historically with \$75,000 for current year.

3. Budget Related Issues/Fiscal Management

- a. Continue to implement the Urban Renewal Plan with base-line funding for full-time Economic Development position and core URA Programs.
 - i. Current Goals from Agency approved Economic Development Strategy:
 - 1. Ensure programs are achieving goals and needs of target consumer.
 - 2. Create a vibrant Central Business Zone (CBZ).
 - 3. Attract new business growth to the City of La Grande.
 - 4. Create a culture of entrepreneurialism.
 - 5. Market and educate about Urban Renewal Programs.
- b. Validate continuation of Urban Renewal Agency (URA) Under Levy—Agency perspective.
 - i. Based on current City General Fund ending Fund Balance for 2020-2021, the City could forego or significantly reduce an Under Levy in 2022-2023.
 - 1. This would impact other taxing jurisdictions, so if the Council decides not to under levy or significantly reduce the amount of the under levy, the

Agency would want to notify the other jurisdictions immediately following the February Council Meeting.

2. What would the Agency do with increased funding if the under levy is suspended or significantly reduced?
 - a. Increase program funding for Call for Projects?
 - b. Increase URA Fund balance to allow for larger projects or increased program funding in future budgets?
 - c. Expand marketing and promotion efforts to sell La Grande Business Park properties?
- ii. Amount of an Under Levy drives both the City General Fund and URA Budgets.